C.L. Butch Otter, Governor

Paul Kjellander, Commissioner Mack A. Redford, Commissioner Kristine Raper, Commissioner

Case No. IPC-E-15-07, Order No. 33277; IPC-E-15-08, Order No 33278

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## Commission taking comment on energy sales agreements between Idaho Power and Water Resources department

**BOISE (April 20, 2015)** – Idaho Power Company is asking state regulators to approve a five-year extension of energy sales agreements with two hydroelectric projects owned by the Idaho Department of Water Resources.

Under the agreements, IDWR would sell Idaho Power energy generated by the Pristine Springs 1 and Pristine Springs 3 hydro projects near Jerome. The Idaho Public Utilities Commission is taking comments on Idaho Power's applications through May 5.

The Pristine 1 project has a nameplate capacity of 125 kilowatts and Pristine 3 can generate up to 200 kW. Both projects currently sell energy to Idaho Power under a 10-year agreement that expires April 30. IDWR elected to renew for a five-year term.

The projects are qualifying facilities under the provisions of the federal Public Utility Regulatory Policies Act of 1978. PURPA requires regulated utilities to buy energy from qualifying renewable generation projects at rates established by state commissions. The rate to be paid qualifying facilities is called an "avoided-cost rate," because it is based on the cost the utility avoids by not having to generate the energy itself or buy it from another source. The commission must ensure the avoided-cost rate is reasonable for utility customers because the price utilities pay to qualifying small-power producers is included in customer rates.

The proposed rates for both projects begin at \$59.78 per megawatt-hour in 2015 and gradually increase to \$70.28 per MWh in 2020. The rate varies according to heavier and lighter load hours of the day and seasons of the year.

Comments are accepted via e-mail through May 5 by accessing the commission's website at <a href="https://www.puc.idaho.gov">www.puc.idaho.gov</a> and clicking on "Case Comment Form," under the "Consumers" heading. Fill in the case number (IPC-E-15-07 for Pristine 1 and IPC-E-15-08 for Pristine 3) and enter your

comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

The company's application and other documents are available on the commission's Website <a href="www.puc.idaho.gov">www.puc.idaho.gov</a>. Click on "Open Cases" under the "Electric" heading and scroll down to the case numbers above.

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